

Serial No.: 09/588,389
Paper Dated August 27, 2007
Reply to Official Action of February 26, 2007

In the Claims:

Kindly amend, without prejudice, the claims as set forth below. This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing Of Claims

1. – 32. (Cancelled)

33. (New) A system for the management and satisfaction of a customer's financial liability comprising:

a liability of said customer comprising (i) default exposure, and (ii) a right to receive regular payments of principal and interest in satisfaction of said liability, wherein a liability vehicle based upon said liability may be (a) selected by said customer from more than one lender of said liability vehicle, and (b) sold to a third party agent;

a securitized pool comprising said liability of said customer and liabilities of other customers, wherein each said liability comprises default exposure and a right to receive regular payments, and wherein said agent (1) repackages each said right to receive said regular payments into said securitized pool, and (2) may sell at least a portion of each said right to receive said regular payments to a securitized pool investor;

a default security created by said agent, wherein said default security (w) is based upon said default exposure of said liabilities, wherein said default exposure of each said liability is associated with said customer contributing said liability to said pool, (x) has a net present value, (y) may be purchased by a default security investor, and (z) said net present value of said default security increases as said regular payments of principal and interest associated with each liability are made; and

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an asset management account independent of said lender, wherein investments in said asset management account are directed by said customer, said asset management account is managed by an asset management account manager, and

wherein (A) cash flows are generated from said default security, (B) portions of said cash flows attributable to each said liability of each said customer are available to purchase said investments at the direction and for the benefit of said customer, (C) said cash flows fund said investments in said asset management account, (D) said management account generates a return on investment, and (E) said return on investment is allocated to (aa) said customer, which may be used to satisfy said liability, and (bb) at least one of said lender, third party agent, and said asset management account manager in accordance with an allocation agreement between two or more of said customer, said lender, said third party agent, and said asset management account manager.

34. (New) The system of Claim 33, wherein said default security is placed into a special purpose vehicle.

35. (New) The system of Claim 34, wherein said special purpose vehicle comprises a financial asset securitization investment trust.

36. (New) The system of Claim 35, wherein said cash flows pass from a default security investor through said trust.

37. (New) The system of Claim 35 wherein said payments are passed through said agency and then to said default security.

38. (New) The system of Claim 35, wherein said payments are passed through to said agency, then to said default security, and then to said trust.

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39. (New) The system of Claim 33, wherein said third party agent comprises a Federal agency, a private investor, an institutional investor, said customer, said lender, or said asset manager.
40. (New) The system of Claim 39, wherein said Federal agency is Fannie Mae or Freddy Mac.
41. (New) The system of Claim 33, wherein said customer may choose from more than one asset managers.
42. (New) The system of Claim 33, wherein said customer may choose from more than one lenders of said liability.
43. (New) The system of Claim 41, wherein said asset manager may be chosen from said more than one asset managers through a menu choice system.
44. (New) The system of Claim 43, wherein said menu choice system permits said customer to view asset performance data.
45. (New) The system of Claim 43, wherein said menu choice system may allow said customer to view one or more of: projections of earnings information; agreement information; execution information; and management information.
46. (New) The system of Claim 44, wherein said performance data may comprise a comparison between liability and asset performance verses another liability vehicle.
47. (New) The system of Claim 46, wherein said liability comprises a net worth mortgage and said other liability vehicle comprises a conventional mortgage.
48. (New) A method for the management and satisfaction of a customer's financial liability comprising the steps of:

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generating cash flows through a default security, wherein said default security is created by a third party agent and is based upon said customer's liability and one or more other parties liabilities;

generating a return on investment from an investment of said cash flows in an asset management account, wherein (i) a portion of said cash flows are attributable to said liability of said customer, (ii) said investment of said portion of said cash flows are directed by said customer, and (iii) a portion of said return on investment attributable to said portion of said cash flows directed by said customer may be used by said customer to satisfy said liability.

49. The method of Claim 48, wherein said liability is a mortgage requiring regular payments of principal and interest.

50. The method of Claim 48, wherein a portion of said return on investment is allocated to said customer and at least one of a lender of a liability vehicle based upon said liability, said third party agent, and an asset management account manager of said asset management account, in accordance with an allocation agreement between two or more of said customer, said lender, said third party agent, and said asset management account manager.

51. A system for the satisfaction of a first customer's financial liability or liabilities comprising:

an initial liability of said first customer comprising an initial liability value, wherein said initial liability value comprises an origination value and a residual value;

a pool of liabilities comprising said initial liability of said first customer and initial liabilities of other customers, wherein (i) said other initial liabilities are of a type similar to that of said initial liability of said first customer, (ii) each initial liability of each said other customer comprises an initial liability value, wherein each said initial liability value comprises an

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origination value and a residual value, (iii) said initial liabilities in said pool are collectively managed, (iv) at least a portion of said residual value of each said initial liability in said pool may be passed to an investor, and (v) at least a portion of said residual value of each said initial liability in said pool is associated with said customer contributing said initial liability to said pool;

a third party financial instrument through which at least a portion of said residual value of each liability in said pool is monetized by a secondary liability to create a residual calculated value of said initial liability of each customer, wherein said residual calculated value of said initial liability is associated with said customer's initial liability; and

one or more assets purchased at the direction and for the benefit of said customer with said customer's residual calculated value of said customer's initial liability, wherein said one or more assets generate a return on investment, wherein said return on investment may be used to satisfy said initial liability or other liabilities incurred by said customer.

52. The system of Claim 51, wherein said initial liability is a mortgage.

53. The system of Claim 52, wherein said mortgage further comprises regular payments of principal and interest.

54. The system of Claim 52, wherein said origination value of said mortgage comprises the right to receive principal and interest payments associated with said mortgage.

55. The system of Claim 52, wherein said residual value of said mortgage comprises a risk of default associated with said mortgage.

56. The system of Claim 55, wherein said third party financial instrument is a default security.

57. The system of Claim 51, wherein said return on investment comprises interest.

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